

DSG EUROPEAN INVESTMENTS LIMITED

Annual Report and Financial Statements

year ended 30 April 2016



DSG EUROPEAN INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

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DSG EUROPEAN INVESTMENTS LIMITED OFFICERS AND PROFESSIONAL ADVISORS

Directors

P A James
D M E Page (resigned 17 February 2016)
H S M Singer (resigned 17 February 2016)
B M Richardson (appointed 17 February 2016)

Secretary

DSG Corporate Services Limited

Registered office

1 Portal Way
London
W3 6RS

Bankers

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

DSG EUROPEAN INVESTMENTS LIMITED

STRATEGIC REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2016. Comparative figures are for the year ended 2 May 2015.

PRINCIPAL ACTIVITY

The Company is the holding company of a group of subsidiaries whose principal activities are the retail sale of high technology consumer electronics, personal computers, domestic appliances, photographic equipment, communication products and related financial and after-sales services. The Company's subsidiaries also undertake business to business sales in the computer and communication sectors and also provide financial and other related services and investment in other Dixons Carphone plc subsidiary companies. The directors anticipate that these activities will be maintained.

BUSINESS REVIEW AND RESULTS

Objective and strategy

The objective of the Company is to deliver value to its shareholder.

Principal risk to achieving the Company's objective

Impairment risk

The Company holds equity investments in other subsidiary companies of Dixons Carphone plc. The principal risk faced by the Company is an impairment in the value of these subsidiaries. A review is carried out at least annually to identify any such impairment.

Results and financial position

The results of the Company are shown on page 7 and comprise mainly interest on bank overdrafts. The assets of the Company comprise mainly investments in its subsidiary companies.

The financial position of the Company at the year end was satisfactory.

On behalf of the Board



B M Richardson

Director

31 January 2017

Registered office:

1 Portal Way

London

W3 6RS

Company Registration No. 3891149

DSG EUROPEAN INVESTMENTS LIMITED

DIRECTORS' REPORT

DIVIDENDS

The directors recommend that no dividend be paid (2014/15 £nil).

PRINCIPAL RISKS AND FUTURE DEVELOPMENTS

Details of principal risks and future developments can be found in the Strategic Report and form part of this report by cross-reference.

GOING CONCERN

The financial statements are prepared under the going concern basis as the Company has received commitments from its ultimate parent company that it will provide financial support if required to ensure that the Company can meet its liabilities as they fall due.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTORS

The directors of the Company during the year and to the date of signing were:

	<u>Appointed</u>	<u>Resigned</u>
P A James		
D M E Page		17 February 2016
H S M Singer		17 February 2016
B M Richardson	17 February 2016	

Unless otherwise stated, the directors served throughout the year.

AUDITOR AND DISCLOSURE OF INFORMATION TO AUDITOR

Deloitte LLP are willing to continue in office as auditor of the Company and pursuant to section 487 of the Companies Act 2006, their term of office is deemed to continue.

In accordance with the provisions of Section 418 of the Companies Act 2006, each of the directors at the date of approval of this report confirms that having made appropriate enquiries of other officers of the Company:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board



B M Richardson
Director

31 January 2017

Registered office:
1 Portal Way
London
W3 6RS
Company Registration No. 3891149

DSG EUROPEAN INVESTMENTS LIMITED DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DSG EUROPEAN INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the member of DSG European Investments Limited

We have audited the financial statements of DSG European Investments Limited for the year ended 30 April 2016 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes 1 to 11. The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions

Financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

DSG EUROPEAN INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of directors' remuneration specified by law are not made.

Andy Siddons

Andy Siddons (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
London, United Kingdom

31 January 2017

DSG EUROPEAN INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 30 April 2016

		2015/16	2014/15
	Note	Total £'000	Total £'000
Operating loss	2	(343)	(369)
Income from shares in group undertakings		208	-
Finance costs	4	(20,803)	(14,020)
Loss before tax		(20,938)	(14,389)
Income tax charge	5	-	-
Loss for the year		(20,938)	(14,389)

All operating losses are derived from continuing operations in the UK.

There are no other items of comprehensive income or expense other than the loss for the current and preceding periods and therefore no statement of comprehensive income has been presented.

DSG EUROPEAN INVESTMENTS LIMITED
BALANCE SHEET
As at 30 April 2016

		30 April 2016	2 May
	Note	£'000	2015
			£'000
Non-current assets			
Investments	6	316,557	316,557
Total assets		316,557	316,557
Current liabilities			
Bank overdrafts		(763,491)	(744,307)
Trade and other payables	7	(2,108)	(354)
Provisions	8	(639)	(639)
Net current liabilities		(766,238)	(745,300)
Total assets less current liabilities		(449,681)	(428,743)
Total liabilities		(766,238)	(745,300)
Net liabilities		(449,681)	(428,743)
Capital and reserves			
Called up share capital	9	528,000	528,000
Retained earnings		(977,681)	(956,743)
Total equity		(449,681)	(428,743)

These financial statements were approved by the directors on 31 January 2017 and signed on their behalf by:



B M Richardson

Director

Company Registration No. 3891149

DSG EUROPEAN INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 April 2016

	Share capital £'000	Retained earnings £'000	Total £'000
As at 30 April 2014	528,000	(942,354)	(414,354)
Loss for the year	-	(14,389)	(14,389)
	<hr/>	<hr/>	<hr/>
As at 2 May 2015	528,000	(956,743)	(428,743)
Loss for the year	-	(20,938)	(20,938)
	<hr/>	<hr/>	<hr/>
At 30 April 2016	528,000	(977,681)	(449,681)
	<hr/>	<hr/>	<hr/>

DSG EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation

DSG European Investments Limited (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 30 April 2016 the Company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 as issued by the Financial Reporting Council. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council, incorporating the Amendments to FRS 101 issued by the Financial Reporting Council in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

After making due enquiry, on the basis of current financial projections and the continuing support of the parent company, the directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Consolidated financial statements have not been prepared as the Company is a wholly owned subsidiary of a company registered in England and Wales. The Company's financial statements present information about it as an individual undertaking and not as a group.

There are no new accounting standards, amendments to standards or IFRIC interpretations which are effective for the Company for the first time during the current financial period which have had an impact on the Company's results or net assets.

The principal accounting policies are set out below.

1.2 Translation of foreign currencies

The financial statements are presented in pounds Sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in foreign currencies are initially recorded at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date. Exchange gains and losses arising on settlement or retranslation of monetary assets and liabilities are included in the profit and loss account.

1.3 Investments

Investments are stated at cost less any provision for impairment in value.

DSG EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

1. ACCOUNTING POLICIES continued

1.4 Tax

Current tax

Current taxation is the expected tax payable on the taxable income for the period, using prevailing tax rates and adjusted for any tax payable in respect of previous periods.

Deferred tax

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is charged or credited in the income statement.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted, or substantially enacted by the balance sheet date. Deferred tax balances are not discounted.

1.5 Other financial liabilities

The Company's financial liabilities are those which involve a contractual obligation to deliver cash to external parties at a future date. Financial liabilities comprise bank overdraft and all items shown in note 7. Under the classifications stipulated by IAS 39, other payables are classified as "financial liabilities measured at amortised cost".

Other payables

Other payables are recorded at cost.

1.6 Estimates, judgements and critical accounting policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available. The most critical accounting policies in determining the financial condition and results of the Company are those requiring the greatest degree of subjective or complex judgements. These relate to valuation of investments as set out below.

Investment impairment reviews

Investments are reviewed on an ongoing basis to determine whether any potential impairment exists. Such calculations require judgement relating to the appropriate discount factors and long term growth prevalent in a particular market as well as short and medium term business plans. The directors draw upon experience as well as external resources in making these judgements.

2. OPERATING LOSS

The operating loss comprises administrative expenses. Operating loss is stated after charging:

	2015/16 £'000	2014/15 £'000
Auditor's remuneration – audit fees	-	12

For 2015/16 the auditor's remuneration of £12,000 is borne by another group undertaking.

3. EMPLOYEES AND DIRECTORS

The Company had no employees during the year (2014/15 none). The directors received no remuneration for services to the Company during the year (2014/15 £nil).

DSG EUROPEAN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

4. FINANCE COSTS

	2015/16 £'000	2014/15 £'000
Interest payable to group undertakings	-	(7,484)
Interest payable on bank overdrafts	(20,803)	(6,537)
Finance costs	<u>(20,803)</u>	<u>(14,020)</u>

5. TAX

	2015/16 £'000	2014/15 £'000
Current tax:		
UK corporation tax at 20% (2014/15 20.92%)	-	-
Deferred tax:		
Adjustment in respect of earlier periods	-	-
Income tax charge	<u>-</u>	<u>-</u>

The UK corporation tax rate for the year was 20% (2014/15 21% for the period up to 31 March 2015 and 20% thereafter).

A reconciliation of the notional to the actual income tax charge is set out below:

	2015/16 £'000	2014/15 £'000
Loss before tax	(20,938)	(14,389)
Tax on loss at UK corporation tax rate of 20% (2014/15 20.92%)	(4,188)	(3,010)
Group relief surrendered free of charge	4,230	3,010
Non-taxable income from Group undertakings	(42)	-
Income tax charge	<u>-</u>	<u>-</u>

DSG EUROPEAN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

6. INVESTMENTS

	2016	2015
	£'000	£'000
Investments in subsidiary undertakings		
Cost		
At beginning of year	347,566	347,566
At end of year	347,566	347,566
Impairment		
At beginning of year	31,009	31,009
At end of year	31,009	31,009
Net book value at end of year	316,557	316,557

Details of the subsidiary undertakings are set out in note 11.

7. TRADE AND OTHER PAYABLES

	2016	2015
	£'000	£'000
Amounts due to group undertakings	382	354
Accruals	1,726	-
	2,108	354

The carrying amount of trade and other payables approximates their fair value.

8. PROVISIONS

	2016	2015
	£'000	£'000
At beginning of year	639	-
Additions	-	639
At end of year	639	639

Additions during the prior year relate to costs associated with disposal transactions in previous periods. Provisions are expected to be utilised over the next financial year.

DSG EUROPEAN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

9. CALLED UP SHARE CAPITAL

	2016 £'000	2015 £'000
Authorised		
750,000,000 ordinary shares of £1 each	750,000	750,000
Allotted and fully paid		
528,000,001 ordinary shares of £1 each	528,000	528,000

10. PARENT COMPANY

The Company's immediate parent and controlling entity is DSG Overseas Investments Limited.

The Company's ultimate parent and controlling entity is Dixons Carphone plc, a company incorporated in Great Britain and which is registered in England and Wales. Dixons Carphone plc is the parent of the largest and smallest group which includes the Company and for which consolidated financial statements are prepared. Copies of its financial statements may be obtained from its registered office at 1 Portal Way, London W3 6RS.

DSG EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

11. SUBSIDIARY UNDERTAKINGS

The principal subsidiary undertakings at 30 April 2016, all of which have a principal activity of electrical retail sales and related services and are held indirectly by the Company, are listed below:

Name	Country of incorporation or registration	Share Class(es) Held	% Held	Registered Office
ElGiganten Aktiebolag	Sweden	Ordinary	100	Box 1264, 164, 29 KISTA, Stockholm
ElGiganten A/S	Denmark	Ordinary	100	Arne Jacobsens Alle 16, 2., 2300 Kobenhavn S
Elkjøp Nordic AS	Norway	Ordinary	100	Solheimsveien, 6-8, 1473, Lørenskog
Gigantti Oy	Finland	Ordinary	100	Sahkotie 3, 01510, Vantaa

The following are the other subsidiary undertakings. All these companies are either holding companies or provide general support to the principal subsidiary undertakings listed above.

Name	Country of incorporation or registration	Share Class(es) Held	% Held	Registered office
Adiumentum Oy ²	Finland	Ordinary	100	Sahkotie 3, 01510, Vantaa
Dixons Stores Group Retail Norway AS	Norway	Ordinary	100 ¹	Solheimsveien, 6-8, 1473, Lørenskog
El-Giganten Logistik AB	Sweden	Ordinary	100	Mobelvagen 51, 556 52 JONKOPING
Elkjøp Kleiverenga AS	Norway	Ordinary	100	Solheimsveien, 6-8, 1473, Lørenskog
Elkjøp Norge AS	Norway	Ordinary	100	Solheimsveien, 6-8, 1473, Lørenskog
Epoq Holding AB	Sweden	Ordinary	100	Esbogatan 12, 164 74 KISTA
Epoq Logistic DC k.s.	Czech Republic	Ordinary	100	Evropská 868, 664 42 Modřice
InfoCare CS AB	Sweden	Ordinary	100	Arabygatan 9, Vaxjo, 352 46
InfoCare Workshop AS	Norway	Ordinary	100	Industrivegen 65, 2212 KONGSVINGER
InfoCare Workshop Holding AS	Norway	Ordinary	100	Industrivegen 65, 2212 KONGSVINGER
InfoCare Workshop Oy	Finland	Ordinary	100	PL 16 01511 Vantaa
Lefdal Elektromarked AS	Norway	Ordinary	100	Solheimsveien, 6-8, 1473, Lørenskog
Markan talo Oy ²	Finland	Ordinary	100	Sahkotie 3, 01510, Vantaa
NSS Financial A/S	Denmark	Ordinary	100	Horkær 12 A, 2730 Herlev
PC City Spain SA ³	Spain	Ordinary	100 ¹	Avenida de Aragon 330, Parque Empresarial Las Mercedes, Edificio 5, Planta 3a, Madrid

1 Interest held directly by DSG European Investments Limited.

2 Adiumentum Oy and Markan talo Oy were merged with Gigantti Oy after year end.

3 PC City Spain SA changed its name to Smarthouse Spain, S.A. after year end.

The following are the other significant shareholdings of the Company, which are all held indirectly. All these companies have a principal activity of electrical retail sales and related services.

Name	Country of incorporation or registration	Share Class(es) Held	% Held	Registered Office
Elkjøp Fjordane AS	Norway	Ordinary	30	Fugleskjaergata 10, 6900 Florø, 1401 FLØRA
F Group A/S	Denmark	Ordinary	40	Lyskær 1, 2730 Herlev

In the opinion of the directors the aggregate value of the shares in and amounts due from the Company's subsidiary undertakings are not less than the aggregate of the amounts at which these assets are included in the Company's balance sheet.